

HOUSE BILL REPORT

ESB 6433

As Reported by House Committee On:
State Government Operations & Accountability

Title: An act relating to establishing the emergency management, preparedness, and assistance account.

Brief Description: Establishing the emergency management, preparedness, and assistance account.

Sponsors: Senators Kastama, Jacobsen, Poulsen, Pridemore, Rockefeller, Shin, Haugen, Rasmussen, Keiser, Regala, Thibaudeau, Franklin, McAuliffe and Kohl-Welles.

Brief History:

Committee Activity:

State Government Operations & Accountability: 2/22/06 [DPA].

Brief Summary of Engrossed Bill
(As Amended by House Committee)

- Creates the Emergency Management, Preparedness, and Assistance Account (account) in the state treasury. Requires that, of the funds allocated to the account, 20 percent be used for administrative and emergency management plan development expenses and 80 percent be used for grant funding to develop and coordinate emergency management plans, and for training and project implementation purposes.
- Beginning in 2008, requires the Military Department to conduct a biennial strategic assessment of emergency management in conjunction with the Emergency Management Council.
- Directs the Joint Legislative Audit and Review Committee to study and review the performance of programs implemented under the act, and to report to the Legislature by December 2008.

HOUSE COMMITTEE ON STATE GOVERNMENT OPERATIONS & ACCOUNTABILITY

Majority Report: Do pass as amended. Signed by 9 members: Representatives Haigh, Chair; Green, Vice Chair; Nixon, Ranking Minority Member; Clements, Assistant Ranking Minority Member; Hunt, McDermott, Miloscia, Schindler and Sump.

Staff: Kathryn Leathers (786-7114).

Background:

The Emergency Management Division of the state Military Department (Department) administers emergency management and disaster relief programs. The director of the Military Department (director) is appointed by the Governor and is charged with developing and maintaining a comprehensive emergency management plan for the state. Local jurisdictions are directed to establish comprehensive local emergency management plans, and submit their plans to the director for recommendations. Local jurisdictions may also establish and operate joint local emergency management organizations.

The Emergency Management Council (Council), whose members include representatives of city and county governments, law enforcement, fire chiefs, emergency management directors, and medical professions, advises the Governor and the director on matters pertaining to state and local emergency management. The Council studied local and tribal emergency management organizations and issued a report in September 2004. The report made a number of recommendations, including the establishment of a stable state funding source to support emergency planning.

Summary of Amended Bill:

The Emergency Management, Preparedness, and Assistance Account (account) is created in the custody of the state treasury. Monies in the account may be spent only after an appropriation. Any funds appropriated to this account must be allocated as follows:

Twenty percent of the funds in the account may be used by the Department for administrative expenses, to fund biennial assessments of emergency management, and to develop and coordinate emergency management plans.

Eighty percent of the funds in the account must be used for grants to regional agencies, local and tribal governments, regional incident management teams, and private organizations. Grant funding is to be used to develop and coordinate emergency management plans and train elected and appointed officials; administer periodic joint emergency management training exercises; and implement projects that strengthen emergency response, mitigation, preparation, and coordination. Projects funded must include projects that will promote statewide and neighborhood level public education, enhance coordination of relief efforts, and improve training and operations capabilities of agencies. Grant funding may also be used as "seed money" to establish a dedicated, full-time emergency management director in every county that does not currently have one.

The distribution formula may be adjusted when necessary to meet any matching requirements imposed as a condition of receiving federal funds. Local governments and other recipients of funds under this act may not use funds received to supplant existing funding.

The Department is given rule-making authority to implement the legislation. Rules must specify match requirements and requirements that local agencies have a comprehensive emergency management plan or be a member of a joint organization for emergency management and have a local director or designated coordinator who works at least 15 hours per week in that capacity. Rules must also establish preferential funding for projects and exercises addressing needs identified in the biennial assessment and establish a formula that establishes a base grant allocation and weighted factors for funds to be allocated over the base grant amount.

Beginning in 2008, the Department is directed to conduct a biennial strategic assessment of emergency management in conjunction with the Emergency Management Council. The assessment must evaluate needs, abilities, and effectiveness of emergency management of local, state, and tribal emergency management organizations. The assessment must also make findings and recommendations.

The Joint Legislative Audit and Review Committee (JLARC) must study and review the performance of programs implemented under the legislation and report to the Legislature by December 2008. Monies from the grant funding portion of the account may be used to conduct the study.

Amended Bill Compared to Original Bill:

The provision requiring the Legislature to establish an advisory committee to study issues related to the collection of a surcharge on homeowner's and business owner's insurance policies to fund emergency management is removed. The expiration date for the advisory committee is removed.

The assessment funded by monies appropriated for the Military Department's administrative duties is clarified to be an assessment conducted by the Military Department. Payment for the study conducted by the Joint Legislative Audit and Review Committee must be paid for out of the monies appropriated for grant funding. Funded grant projects which promote public level education, situate weather radios in public buildings, enhance coordination of public sector and private sector relief efforts, and improve training and operations capabilities of agencies must promote such programs on both a statewide and neighborhood level, instead of only on a neighborhood level. The provision prohibiting local governments from using any grant funds to supplant existing funding are extended to all recipients of such funding.

Appropriation: None.

Fiscal Note: Requested on February 20, 2006.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: (In support) In the long run, some type of major disaster will occur in Washington. Emergency management is not prioritized unless a disaster occurs, and then it is

too late. The original funding mechanism was removed in the Senate due to some concern over the possible anti-competitive nature of the funding mechanism.

Bad things do happen in Washington. Washington is one of the highest hazard areas in the nation. In King County alone, there have been 20 presidentially declared disasters in the last 41 years, averaging one every two years. In addition to these large scale disasters, there are emergencies and smaller scale disasters that occur on a regular basis. The question before the Legislature is whether it will choose to implement an improvement in our state's disaster preparedness now or wait to hold investigative hearings after the next great disaster occurs. This bill is a step in the right direction, but it is not the silver bullet.

If the Legislature wants to know the current status of disaster preparedness at the local levels of government, it need only read the study that was completed in 2004 by the Association of Cities and Counties. It is an honest appraisal of our readiness and what the needs are.

When the performance of the Gulf states during hurricane Katrina is compared with that of the state of Florida in responding to four successive hurricanes, the difference is radical. The difference is that Florida decided they had to fix it, and they did so legislatively by putting a funding mechanism in place. However, the fix is not immediate. If you don't have a funding mechanism in place, over time the support will atrophy, which is what happened to the Federal Emergency Management Agency. We should not further delay making these improvements.

Currently, there is a significant shortfall in state funding for disaster preparedness for state emergency management functions. At the state level, the Military Department receives only 7 percent of its operating budget from the State General Fund. Without federal and contract funding from special hazards located in the Tri-Cities area, the state Emergency Management Division would have only minimal capability to respond to disasters. Much of the funding the state receives is for homeland security, 48 percent of its operating budget. Some of these funds are passed down to the local level, but they have significant restrictions on them and are to be used only for counter-terrorism purposes. These funds cannot be used for earthquake or volcano eruption preparedness.

There is a provision in the bill that allows for a study of how to fund emergency management. It is the same mechanism that has been used by, and is working in, Florida.

This is the major emergency management bill of the 2006 legislative session, and the only bill that will provide new funding to support local emergency management. All emergencies are local. The study of the insurance surcharge funding mechanism is supported.

Some small cities do not have an emergency management plan in place; some small cities do, but they still have training needs to augment the plans they have in place. This bill tries to respond to both of those types of cities.

Cities and counties have concerns about failing to create a stable, sustainable funding mechanism for emergency management. There is concern that, without stable funding, the state will be put in the same position as we have been with federal funding one day it is there,

the next day it is not. It is important to have a state-wide network that is equally prepared across the state, regardless of the population size of varying cities and counties.

(With amendment) Although the purposes of the bill are laudable and supported by Washington insurers, there is a concern with the provision providing for a study of the application of surcharges on certain insurance products. Insurance companies recommend striking the section providing for a study of the surcharge. These are important core services that are to the benefit of the state as a whole, and funding should come from the State General Fund. In the context of catastrophic loss, it is hard to see how there might be a direct savings to property insurance companies. Life insurance and other types of insurance are not included in the proposed surcharge plan. The expenses should be shouldered by a broader scope of services. There is also the issue of retaliatory taxation. Surcharges reduce accountability. The only leverage the Legislature has over an agency is the budget.

(Information only) The Emergency Management Division of the Military Department works closely with the health agencies on emergency management issues. This is an authorization bill, not an appropriation bill. There are a few technical clarifications to the bill that the Military Department would recommend.

Testimony Against: None.

Persons Testifying: (In support) Senator Kastama, prime sponsor; Eric Holdeman, King County Office of Emergency Management; Sophia Byrd McSherry, Association of Counties; Diane Oberquell, Washington State Association of Counties; and Doug Levy, Cities of Everett, Kent, Federal Way, Renton and Puyallup.

(With amendment) Mel Sorensen, Property Casualty Insurance Association; Gary Strannigan, Safeco.

(Information only) Major General Timothy Lowenberg, Washington Military Department.

Persons Signed In To Testify But Not Testifying: None.